Local Mandate Fiscal Impact Estimate Kentucky Legislative Research Commission 2016 Regular Session

Part I: Measure Information

Bill Request #: 1627			
Bill #: SB 280			
Bill Subject/Title: AN ACT relating to county finance and declaring an emergency.			
Sponsor: Senator Jared Carpenter			
Unit of Government: City X County Unified Local X Charter County X Consolidated Local X Government			
Office(s) Impacted:			
Requirement: X Mandatory Optional			
Effect on Powers & Duties: X Modifies Existing X Adds New Eliminates Existing			

Part II: Purpose and Mechanics

SB 280 provides that the fiscal court of any county may not impose or collect a license fee from:

- any commercial entity engaged in surface or strip mining operations,
- any commercial entity that is a manufacturer of mining and machinery and equipment manufacturing (NAIC code 333131),
- any commercial entity that is a commercial mine, or
- any commercial entity that can demonstrate that
 - 50% of its retail or wholesale sales are to commercial entities engaged in surface or strip mining,
 - o a manufacturer of mining machinery and equipment, or
 - o is a commercial mine.

Part III: Fiscal Explanation, Bill Provisions, and Estimated Cost

The impact of SB 280 is indeterminable, but is expected to be moderate to significant depending on the amount of license fee currently received from the entity.

Below is a chart reflecting the counties hosting surface mining-related manufacturing; also the counties that currently have surface or strip operations. Staff was unable to put a dollar figure on

this impact because several of the counties have either one manufacturer or one surface mine and to do so would breach confidentiality. However, these are the 29 counties that would be affected under the provisions of SB 280. There are three undefined counties as reflected in Bureau of Statistics Data. These may or may not be reflected elsewhere in the chart.

County	2014 Establishments, NAICS 333131	Number of Permits reflecting Surface Mining Operations
Bell County	1	2
Boone County	1	-
Bourbon County	1	-
Breathitt	-	3
Daviess County	1	1
Fayette County	1	-
Floyd County	1	6
Greenup County	1	-
Harlan	-	2
Henderson County	1	-
Hopkins County	3	-
Johnson		2
Knott	-	6
Knox County	1	3
Laurel County	1	-
Lawrence	-	1
Leslie	-	5
Letcher	-	6
Magoffin	-	1
Marion County	1	-
Martin	-	3
Ohio	-	3
Muhlenberg County	1	-
Perry	-	12
Pike County	1	17
Scott County	1	-
Shelby County	1	-
Webster County	4	-
Whitley	-	4
Unknown or Undefined, Kentucky	3	-
Kentucky Totals:	24	77

In addition to the indeterminable lost license fee revenue, there will also be a cost to those counties listed above to update their license fee ordinances in order to exempt these entities. There are minimal costs related to personnel and materials related to the updating of the ordinances and to the dissemination of the change in ordinance.

Data Source(s): <u>Division of Mine Permits, Energy and Environment Cabinet;</u>

Bureau of Labor Statistics, Quarterly Census of Employment and Wages

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